

Construction of the recycling center has not begun yet because the water's of Bitter Lake have threatened the proposed site for the past two years. The site was to be south of town adjacent to the community's restricted use site. The council is now considering a different site in town for the recycling center.

The community is requesting a one-year time extension, which would give them until December 1999 to expend the funds.

Motion by Kleinsasser, seconded by Bollweg, to approve Resolution #98-90 to give the city of Waubay a one-year time extension. Motion carried.

CITY OF SPENCER CONSOLIDATED AMENDMENT: Mr. Wendte reported that the town of Spencer was awarded a \$125,000 consolidated grant in April 1996. The grant has been used to rehabilitate the community's water distribution system. Because of the tornado disaster in the spring of 1998, the town has not been able to complete street restoration related to the construction of the water main improvements.

The town of Spencer has already received one time extension for the grant and will not be able to complete the project by the grant termination date of December 31, 1998. Therefore, the town has requested a grant percentage increase so that they can receive the remaining \$10,521 in grant funding. Since the town intends to complete the project in 1999, staff supports an amendment request to increase the grant percentage from 21.9 percent to 24 percent.

Motion by Greenfield, seconded by Kennedy, to approve Resolution #98-91 to grant the percentage increase to the town of Spencer. Motion carried.

NORTH SIOUX CITY ASSUMPTION OF MCCOOK LAKE SANITARY DISTRICT CONSOLIDATED AND SRF LOANS: Ms. Forney reported that in January 1998 the board approved the assumption of the outstanding indebtedness of the McCook Lake Sanitary District by the city of North Sioux City.

In August 1998, an election was held in North Sioux City regarding the dissolution of the Sanitary District and the assumption of the outstanding bonded indebtedness of the McCook Lake Sanitary District by the city. The election results were overwhelmingly in favor of both issues.

Amendments to of both the Clean Water SRF revenue obligation loan agreement and the consolidated revenue obligation loan agreement are being presented for board approval. These amendments will bind North Sioux City to all the terms and conditions originally agreed to by the McCook Lake Sanitary District. Staff recommends approval of the first amendment to both the Clean Water SRF revenue obligation loan agreement and the consolidated revenue obligation loan agreement.

Motion by Kennedy, seconded by Bollweg, to approve the amendments. Motion carried.

MBE/WBE AVAILABILITY ANALYSIS CONTRACT: Mr. Perkovich reported that EPA requires the state to annually negotiate "fair share" objectives involving Minority Business Enterprises/Women Business Enterprises (MBE/WBE) for both the Drinking Water and the Clean Water SRF programs. In years past this "fair share" objective was based upon an estimate negotiated between EPA and the state.

EPA is now requiring the states to do studies to have an objective method to establish these goals. States are being required to do an availability study to help set these goals. The department believes that an availability study was beyond the scope and expertise of the staff.

The staff conducted a search for entities qualified and interested in performing the availability analysis and determined that the Business Research Bureau at the University of South Dakota was the most qualified contractor.

The staff has negotiated a contract with the Business Research Bureau in an amount not to exceed \$7,573.50.

Motion by Kennedy, seconded by Kleinsasser, to adopt Resolution #98-92 authorizing the department to execute a contract with the Business Research Bureau in an amount not to exceed \$7,573.50.

RURAL COMMUNITY HARDSHIP GRANT PROGRAM MEMORANDUM OF AGREEMENT: Mr. Perkovich presented a resolution that would approve the Memorandum of Agreement among the Cheyenne River Sioux Tribe, the Indian Health Service, EPA, and the department and authorize the department to act as a representative of the board to carry out the tasks specified in the Memorandum of Agreement for Rural Community Hardship Grant.

Motion by Greenfield, seconded by Kleinsasser, to approve Resolution #98-93 approving the Memorandum of Agreement. Motion carried.

APPROVE DRAFT DRINKING WATER AND CLEAN WATER SRF ANNUAL REPORTS: Ms. Forney presented a draft of the federal fiscal year 1998 Clean Water SRF annual report and the Drinking Water SRF biennial report for FFY 1997 and 1998.

Ms. Forney reviewed the reports and stated that there were no substantial changes to the format of the Clean Water report and the Drinking Water report follows the same format.

Bert Olson, First National Bank, made comments about the financial statements in the Clean Water report and answered questions from the board.

Motion by Greenfield, seconded by Kleinsasser, to approve the Clean Water SRF annual report and the Drinking Water SRF biennial report. Motion carried.

DEFERRED ACTION: Action was deferred on the Lake Andes-Wagner/Marty II Irrigation SWRMS funding request of \$70,000. The department recommended that the project receive no funding.

Motion by Bollweg, seconded by Greenfield, to approve the department's recommendation.
Motion carried.

The department recommended funding in the amount of \$2,750,000 for the Consolidated program.

Motion by Greenfield, seconded by Kleinsasser, to approve the department's recommendation.
Motion carried.

The board's Water and Environment funding recommendations for SWRMS projects, the consolidated program, and the solid waste management program were compiled in Resolution 98-86 for transmittal to the Governor and Legislature.

OTHER BUSINESS:

Jay Gilberson and Tim Bjork discussed the Section 319 projects, answered questions from the board, and asked questions of the board.

NEXT MEETING: The next board meeting will be December 9-10, 1998, in Pierre. The January 14, 1999, meeting will be held via RDTN.

ADJOURN: Chairman Lowrie declared the meeting adjourned at 10:00 a.m.

Approved this ____ day of _____ 199 ____.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE Nov 12, 1998

LOCATION Matthew Training Center

Name (PLEASE PRINT)

Address

Representing

| | | |
|-------------------|-----------------|------------------------------------|
| Jim Wendte | Pierre | SD DENR |
| David Hauschild | Pierre | water co-ops CENTRAL PLAINS WOA |
| Keith Festring | Pierre | SD DENR |
| Jimmy Hilton | B.C. | CITY OF RAPID CITY |
| David Ruhnke | Pierre | DENR |
| Jim Stuke / | Kadoka | 4 BRDP |
| Elois Redlin | Clear Lake | Devel Cons. Dist. |
| Leroy Stork | Clear Lake | Clear Lake Restoration |
| David Temple | DENR | Pier |
| Duan John | District III | Yankton |
| Laurie Gates | Pierre | DENR |
| Darrell Raschke | Huron | IRWDD |
| Mike Scott | Myrtle | WRZS |
| John Madden | Rock Rapids, IA | WRWS |
| Paul [unclear] | Frederick | PRAIRIE PARTNERS |
| Alvin Van Lee | Lake Andes | Randall Water |
| Pat Kueck | Pierre | DENR/NRCS |
| Gayleen Lowe | Pierre | DENR |
| Angela Ehlers | Pierre | SD Assn of Cons. Dist. |
| John Childs | Pierre | Eisenbraun + Associates |
| Nicole Westerhuis | Platte | City of Platte |
| Ken Keady | Platte | Cty Council / Platte |

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE NOV. 12, 1998

LOCATION Matthew Training Center

| Name (PLEASE PRINT) | Address | Representing |
|---------------------|------------------------|------------------------------|
| DALE KENNEDY | DERESFORD | BWNR |
| Leo Holzbauer | Wagner | L.A.W.-M.S.I. |
| Jay T Gilbertson | Brookings | East Dakota WDD |
| Don Ballweg | Harrold | BWNTS |
| John Loucks | Rapid City | BWNR |
| Ing Klemm | Redfield | BWNR |
| David Ryan | Pierre | DENR |
| VAN A. LINDQUIST | Rapid City | West Dakota WDD |
| Heather Forney | Pierre | DENR |
| Jerry Thelen | Pierre | BRWGP |
| LEONARD BENSON | ORAL | FALL RIVER WATER USERS DIST. |
| Dave Dunbar | Oelrichs | Fall River Water Users |
| William Forney | Oelrichs | Fall River Water User Dist. |
| Wendy Henning | P.O. Box 1985 Aberdeen | NECOG |
| KENT DEDEPSEN | Parker | TMRWD |
| Irvin Dykstra | Parker | TMRWD |
| Earl Acheson | Chester | E.D.W.D.D. |
| Jim Anderson | Pierre | DENR |
| Gene & Le Sue | Pierre | DENR |
| Tom Donnell | Souris Falls | LCPWS |
| Mike Terekovich | Pierre | DENR |

BOARD OF WATER AND NATURAL RESOURCES ATTENDANCE SHEET

DATE Nov. 13, 1998

LOCATION Matthew Training Center

Name (PLEASE PRINT)

Address

Representing

James Feeney

Pierre

DENR

DANIEL S. OSTRANDER MINA

Mina Lake Waters & San Dist

Heather Forney

Pierre

DENR

J.P. Gilbertson

Brookings

East Dakota WDD

Laurie Gates

Pierre

DEWE

Lucy & Labrie

Pierro

DENR

Gayleen Lowe

Pierre

DENR

BODY IRON EYES

FURT YATES NO

SRST; DvNR

Jimmy Hilton

Rapid City

City of Rapid City

Bert Olson

Slough falls,

FNR - Sioux Falls

Duane Johnson

~~Yan~~ Yan Kien

District III

Jim Wendte

Pierre

DENR

Chris Varsha

Take Andos

Russell Waters

David Temple

DevR

Pine

Minutes of the
Board of Water and Natural Resources Meeting
Floyd Matthew Training Center
523 East Capitol Avenue
Pierre, South Dakota

December 9 - 10, 1998

DECEMBER 9, 1998 - 1:00 P.M. CST

CALL MEETING TO ORDER: The meeting was called to order by Chairman Steve Lowrie. A quorum was present.

BOARD MEMBERS PRESENT: Steve Lowrie, John Loucks, Gregg Greenfield, and Roger Larsen.

BOARD MEMBERS ABSENT: Dale Kennedy, Jerry Kleinsasser, and Don Bollweg.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Motion by Larsen, seconded by Greenfield to approve the agenda. Motion carried.

Jim Feeney stated that due to the absence of the board secretary, an acting secretary needed to be appointed for this meeting.

Motion by Greenfield, seconded by Larsen, to appoint John Loucks as acting secretary for this meeting. Motion carried.

WATER DEVELOPMENT DISTRICT/MAJOR PROJECT UPDATES: Pat Cerny, South Central Water Development District; Van Lindquist, West Dakota Water Development District; Jay Gilbertson, East Dakota Water Development District; and Darrell Raschke, James River Water Development District provided updates on the activities of their respective districts.

SECTION 319 FUNDING APPLICATIONS: Tim Bjork stated that at its September meeting the board deferred the Firesteel Creek and Bad River projects and requested the sponsors prepare long-term work plans for presentation to the board. The rationale for the action to defer focused on the need to use 319 funds more efficiently by funding all or major portions of implementation projects at one time instead of in phases.

Jerry Thelen and Jim Stukel, Bad River Project, and Steve McClure, Firesteel Creek Implementation Project, presented a project overview and long-term work plans for their respective projects.

Mr. Bjork stated staff recommendation is to award Firesteel Creek Implementation Project \$738,000, with the balance of the dollars (\$270,070) to go to the Bad River Watershed Project. Discussion of the recommendation focused on project goals and targeted objectives.

Motion by Loucks, seconded by Larsen, to recommend to EPA funding levels of \$738,000 for the Firesteel Creek Implementation Project and \$270,070 for the Bad River Watershed Project. Motion carried.

SOURCE WATER ASSESSMENT AND PROTECTION PLAN: Anita Yan stated that the Source Water Assessment and Protection Plan describes how DENR intends to meet some of the objectives of the Safe Drinking Water Act. The Source Water Assessment and Protection Program Plan describes the department's proposed approaches that were developed with the assistance of a 22-member technical advisory committee. In addition, the Black Hills delineation methods were developed with the assistance of a 22-member ad hoc committee. Public meetings were held on November 18, 1998, to solicit comments on the draft plan. The presentation described the draft plan, the comments received during the public meetings, and how the department intends to address the public's comments.

Ms. Yan addressed comments and questions from the board and audience.

Motion by Greenfield, seconded by Loucks, to concur with the methods and approaches described in the draft Source Water Assessment and Protection Program Plan, subject to further refinement from the technical committee after they receive public comments. Motion carried.

BLACK HILLS HYDROLOGY STUDY UPDATE: Van Lindquist, West Dakota Water Development District, and Mike Strobel, USGS - Rapid City, provided an update on the U.S. Geological Survey's progress and products to be accomplished during Phase II of the study.

SOLID WASTE FUNDING APPLICATIONS: David Ryan presented the Solid Waste Management Program applications to the board for their consideration. Six applications were presented with five requesting waste tire clean-up funding and one requesting recycling funding. Staff recommended that the board only approve tire derived fuel as the project scope for each of the five waste tire clean-up projects. The staff also recommended that any future revenues received by the three public entities for the collection of waste tires be dedicated to the disposal of accepted tires. Finally, the staff recommended the board waive the standard attorney's opinion for the public entities. The board's funding decisions will be made on December 10, at 9:15 a.m.

The city of Bison has a small tire pile at its restricted use site of around 500-600 passenger tire equivalents. The total estimated cost of this project is \$825, and the city is requesting \$500 in grant assistance. The staff recommendation is to award \$500 in grant funds subject to the previously mentioned conditions.

Douglas King, Pringle, submitted an application requesting assistance to clean-up approximately 5,000 tires on a private site at an estimated disposal cost of \$5 per tire. Mr. King is requesting

Board of Water and Natural Resources
December 9 - 10, 1998 Meeting Minutes

\$20,000 in grant funds and \$5,000 in loan funds. After viewing the site, the staff estimated that the tire pile contains 10,000 passenger tire equivalents. The staff recommendation is to reduce the estimated total project cost to \$15,000 (10,000 PTE @ \$1.50/PTE) and award \$12,000 in grant funds and no loan funding for a TDF project.

The city of Martin has a tire pile of approximately 4,000 passenger tire equivalents at the city's restricted use site. The estimated total project cost is \$6,500, and Martin is requesting \$4,875 in grant funds. The staff recommendation is to award \$4,875 in grant funds subject to the previously mentioned conditions.

Oakleaf Rubber Company, Hartford, has a tire pile of approximately 400,000 tires. The application is for Phase I of a tire pile removal project. The cost for Phase I activities is estimated at \$76,000. Oakleaf Rubber is requesting \$61,200 in grant funds. Staff recommendation is to award \$61,200 in grant funds for a TDF project.

Walworth County has approximately 126,000 passenger tire equivalents on site at its regional landfill. Total cost of the project is approximately \$140,000, and Walworth County is requesting \$85,200 in grant funds. Staff recommendation is to award \$85,200 in grant funds subject to the previously mentioned conditions.

Weber Dairy, Milbank, is requesting assistance for a waste paper to animal bedding project. The application proposes to purchase a new tractor and paper shredder. Total project cost is estimated at \$44,500, and Weber Dairy is requesting \$33,375 in grant funds. Staff discussed the availability of waste paper to animal bedding in the area through a previous grant project. Staff recommendation is for no funding for this project.

VALUE ADDED AGRICULTURE: Jon Farris, Department of Agriculture, made a presentation on value added agriculture.

DECEMBER 10, 1998, 8:30 A.M. CST

Chairman Lowrie called the meeting back to order.

PUBLIC HEARING ON CLEAN WATER AND DRINKING WATER SRF RULES: Chairman Lowrie opened the hearing at 8:30 a.m. The purpose of the hearing is to amend ARSD 74:05:08, State Water Pollution Control Revolving Fund Program and 74:05:11, Drinking Water State Revolving Fund Program. The hearing and proposed rule revisions have been advertised in accordance with applicable state and federal rules and regulations.

The effect of the amendments to ARSD 74:05:08 would be to allow interest rates to be changed throughout the year and provide a reduced interest rate to Municipal Pollution Prevention program participants. The effect of the amendments to ARSD 74:05:11 would be to revise the affordability criteria, revise the rate requirement portion of the disadvantaged community definition, clarify portions of the project priority rating system, change the priority list bypass procedure, and allow interest rates to be changed throughout the year.

Mike Perkovich provided a summary of proposed amendments to ARSD 74:05:08, State Water Pollution Control Revolving Fund Program, and 74:05:11, Drinking Water State Revolving Fund Additions are noted by underscores and deletions are noted by strikeouts.

74:05:08:01. Definitions.

(11) "Municipal Water Pollution Prevention (MWPP) program," a voluntary program to assist communities in evaluating the operational and financial soundness of its wastewater utility, established in accordance with the Pollution Prevention Act of 1990 and the January 20, 1993, Memorandum of Agreement for Implementing and Maintaining the South Dakota Municipal Water Pollution Prevention Program, between the South Dakota Department of Environment and Natural Resources and the United States Environmental Protection Agency, Region VIII;

74:05:08:18. Assistance agreement interest rates. The board shall set the interest rates at least annually for each federal fiscal year based upon:

- (1) Current market rates;
- (2) Rates secured on state issued matching funds; and
- (3) Current demand for program funds.

Based on the above criteria, the board may also adjust the interest rates at any board meeting if the proposed action is included on the agenda posted for the meeting.

Source: 15 SDR 20, effective August 7, 1988; 21 SDR 97, effective November 28, 1994.

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3.

Cross-References: Notice of meetings of public bodies, SDCL 1-25-1.1.

74:05:08:23. Loans to communities participating in the MWPP program. The board may provide additional assistance to communities participating in the South Dakota Municipal Water Pollution Prevention (MWPP) Program in the form of interest rates below that set for other recipients. A MWPP participating community is eligible to receive up to \$250,000 of its financial assistance at an interest rate one-percentage point below that set for other recipients.

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

74:05:11:01. Definitions. Terms not defined in this section have the meaning given by the Safe Drinking Water Act, 42 U.S.C. § 300f to 42 U.S.C. § 300j-26, inclusive, as amended to January 1, 1997. Terms used in this chapter mean:

(1) "Act," the federal Safe Drinking Water Act Amendments of 1996, Pub. L. No. 104-182 (August 6, 1996), in effect on January 1, 1997;

(2) "Affordability criteria," the expected annual residential water rate, based on 5,000 gallons usage per month for municipalities and sanitary districts and 7,000 gallons usage per month for rural water systems, divided by the median household income;

(3) "Applicant," the sponsoring entity applying for funding to construct drinking water works;

(4) "Assistance," financial assistance awarded by the Board of Water and Natural Resources for drinking water works pursuant to SDCL 46A-1-60.1 to 46A-1-60.3, inclusive;

(5) "Board," the Board of Water and Natural Resources as created in SDCL 1-40-5, acting both as that board and as the South Dakota Conservancy District created by SDCL 46A-2-1;

(6) "Capitalization grant," a grant supplied by EPA to the state to be matched by the state at a 5-to-1 federal-to-state ratio and to be used for purposes outlined in the Act;

(7) "Community water system," a water system that has at least 15 service connections for year-round residents or that serves at least 25 year-round residents;

(8) "Construction," any of the following procedures for drinking water works projects: preliminary planning to determine project feasibility; engineering, architectural, legal, fiscal, environmental, or economic studies, surveys, designs, plans, working drawings, specifications, or procedures; rehabilitation or development of new water sources; other necessary actions for the erection, building, acquisition, alterations, remodeling, improvement, or extension of drinking water works; the purchase of equipment; the acquisition of land integral to a project; and the inspection or supervision of any of these procedures;

(9) "Department," the South Dakota Department of Environment and Natural Resources;

(10) "Disadvantaged community," the service area of a community water system that meets the following criteria:

(a) For municipalities and sanitary districts:

(i) The median household income is below 80 percent of the state-wide median household income; and

(ii) The monthly residential water bill ~~exceeds~~ is \$20 or more for 5,000 gallons usage; or

(b) For rural water systems:

(i) The median household income is below 80 percent of the state-wide median household income; and

(ii) The monthly water bill for rural households ~~exceeds~~ is \$50 or more for 7,000 gallons usage;

(11) "Drinking water works," a community water system to provide piped water for human consumption, including water treatment facilities, distribution systems, storage facilities, wells and surface sources, and related appurtenances;

(12) "DWSRF," the drinking water state revolving fund, a dedicated financing mechanism to provide financial assistance to drinking water works;

(13) "EPA," the United States Environmental Protection Agency;

(14) "Facility plan," an engineering evaluation of present and future supply, treatment, storage, or distribution needs; an evaluation of several alternatives; and the selection and justification of a final alternative;

(15) "Intended use plan," a document prepared annually which describes how the board intends to use available funds for the year to meet the objectives of the Act and includes the amount of funding that will be allocated to the set-asides and a list of potential projects showing the rating for each project;

(16) "Loan servicing agent," an entity hired by the board to disburse payments, prepare amortization schedules, receive loan repayments, invest funds, and ensure the security of the loans remains intact;

(17) "Median household income," the nonmetropolitan median household income as identified in the 1990 census as published by the Bureau of the Census, Department of Commerce or by other statistically valid income data supplied by the applicant and acceptable to the board;

(18) "Primary drinking water standards," the water quality standards and other provisions in chapter 74:04:05 to which community water systems are subject;

(19) "Project," the actual erection, building, acquisition, alteration, remodeling, improvement, or extension of drinking water works, including the necessary planning, design, acquisition of land integral to the project, and purchase or installation of equipment;

(20) "Recipient," an applicant receiving funds to construct a drinking water works project;

(21) "Rural water system," a water system to provide water for human consumption operated by a water user district, water project district, watershed district, irrigation district, nonprofit corporation, or cooperative;

(22) "Secretary," the secretary of the Department of Environment and Natural Resources or a designated representative of the secretary; and

(23) "Trustee," the entity to whom the board assigns its bonds to be administered under the DWSRF program for the mutual benefit and protection of the state and the bond holders.

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

Reference: "1990 Census of Population and Housing: Summary Social Economic and Housing Characteristics, South Dakota," 1990 CPH-5-43, Stock No. 003-024-08145-8, issued June 1992, U.S. Department of Commerce, Bureau of the Census. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Cost: \$21. Prepayment is required. No shipping/handling or tax.

74:05:11:06. Project priority rating system. Each potential drinking water works project shall be assigned points based on the criteria in the following table:

| Priority Criteria | Priority Points |
|---|-------------------------------------|
| (1) Occurrences of nitrates, fecal coliform, or E. Coli bacteria in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:05 | 150 points |
| or | |
| occurrences of chronic primary drinking water contaminants in samples within the past three years have exceeded the allowable limits as defined in chapter 74:04:05 or the system is in violation of a treatment technique; | 100 points (Maximum points =150) |
| (2) Affordability criteria: | 75 points |
| (a) Greater than 2.0 percent for community water systems whose median household income is under \$12,000; | |
| (b) Greater than 2.5 percent for community water systems whose median household income is \$12,000 to \$20,000; or | |
| (c) Greater than 3.0 percent for community water systems whose median household income is over \$20,000; | |
| (3) Regionalization of facilities where | |

- (a) A proposal ~~by a municipality or sanitary district~~ to consolidate ~~its~~ a municipal or sanitary district treatment, supply, and distribution system with a ~~larger~~ another community water system and the consolidation is cost effective; 50 points
- (b) A proposal ~~by a municipality or sanitary district~~ to consolidate ~~its~~ a municipal or sanitary district treatment system with a ~~larger~~ another community water system and the consolidation is cost effective; 40 points
- (c) Expansion of the service area of a rural water system to provide water to 25 or more ~~new~~ residences; or 40 points
- (d) Expansion of the service area of a rural water system to provide water to less than 25 ~~new~~ residences; 35 points
- (4) Occurrences of secondary drinking water contaminants in samples within the past three years have exceeded the guidelines. The specific contaminants and the maximum contaminant level are: 2 points per contaminant (up to a maximum of 10 points)
- | | |
|------------------------|-------------------------|
| chloride | 250 mg/L |
| color | 15 color units |
| fluoride | 2.0 mg/L |
| foaming agents | 0.5 mg/L |
| iron | 0.3 mg/L |
| manganese | 0.5 mg/L |
| odor | 3 threshold odor number |
| pH | range: 6.5 to 8.5 |
| silver | 0.1 mg/L |
| sulfate | 250 mg/L |
| total dissolved solids | 500 mg/L |
| zinc | 5 mg/L |
- (5) Occurrences of total coliform in samples within the past three years have exceeded the allowable limits; 25 points
- (6) Rehabilitation of contaminated drinking water sources or development of sources to replace contaminated sources; 25 points
- (7) Development of sources due to inadequate supply; 15 points
- (8) Location of the applicant's primary source of water within the boundaries of an established wellhead or source water protection area; 10 points

(9) Replacement of transmission lines for the following reasons (points are additive as they apply):

- (a) Removal of lead piping; 25 points
- (b) Decrease in water loss volume by 10% or more; 20 points
- (c) Replacement of lines ~~that are undersized to meet current needed capacity (results in low pressure at peak demand)~~ to address low pressure problems within the system. Low pressure is less than 20 pounds per square inch at ground level at any point in the distribution system under all conditions of flow; 15 points
- (d) Looping of lines that will result in improved water quality; 10 points
- (e) Lines are 50 years old or older; 5 points

(10) Construction of storage for a system with capacity less than a peak day's demand or to address low pressure problems within the system; 15 points

(11) Population points according to the following schedule based on the population being served by the project as reported by the 1990 census as prepared by the Bureau of Census, Department of Commerce:

| | | |
|--------------------------|----------|-----------|
| 1 to 200 persons | 2 points | |
| 201 to 500 persons | | 3 points |
| 501 to 1,000 persons | 4 points | |
| 1,001 to 2,500 persons | 5 points | |
| 2,501 to 5,000 persons | 6 points | |
| 5,001 to 10,000 persons | 7 points | |
| 10,001 to 30,000 persons | 8 points | |
| 30,001 and greater | | 10 points |

Source:

General Authority: SDCL 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

Reference: "1990 Census of Population and Housing: Summary Social Economic and Housing Characteristics, South Dakota," 1990 CPH-5-43, Stock No. 003-024-08145-8, issued June 1992, U.S. Department of Commerce, Bureau of the Census. For sale by the Superintendent

of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Cost: \$21. Prepayment is required. No shipping/handling or tax.

74:05:11:07. Priority list bypass procedures. ~~Projects that are ready to proceed, regardless of priority ratings, may receive funds at any time that at least \$1.5 million are available for loans. If projects with the same number of priority points are competing for the remaining available loan funds, the board shall give priority to the projects benefiting the largest number of people. When less than \$1.5 million is available for loans, the board shall notify projects that have received priority points under subdivision 74:05:11:06(1) that have not applied for funding of the status of the available funds and shall encourage them to apply. Projects will be funded based on their project priority rating. Projects with the highest priority rating that have submitted a complete application and demonstrated adequate financial, managerial, and technical capacity to receive financial assistance shall be funded before lower rated projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting an application and the next highest priority project which has submitted an application shall be funded. The department shall exert reasonable efforts to ensure that the higher rated projects on the priority list are funded.~~

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

74:05:11:08. Amendment of priority list. The board may add a project to the priority list at any board meeting if the action is included on the agenda ~~at the time it is distributed~~ posted for the meeting. The department shall assign points to projects added to the priority list according to § 74:05:11:06.

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

Cross-References: Notice of meetings of public bodies, SDCL 1-25-1.1.

74:05:11:10. Drinking water-related project to be approved before construction. An applicant must meet the requirements of ~~§ 74:53:03:02~~ § 74:53:05:02, if applicable. In addition, as-built plans and specifications must be completed for each applicable project and kept by the recipient for public inspection. The plans and specifications must be prepared in accordance with SDCL chapter 36-18.

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

Cross-References: Engineers, architects, and land surveyors, SDCL chapter 36-18; Engineers and architects, art 20:38.

74:05:11:17. Assistance agreement interest rate. The board shall set the interest rate at least annually for each federal fiscal year, based on the following criteria:

- (1) Current market rates;
- (2) Rates secured on state-issued matching funds; and
- (3) Current demand for program funds.

Based on the criteria above, the board may also adjust the interest rate at any board meeting if the proposed action is included on the agenda posted for the meeting.

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

Cross-References: Notice of meetings of public bodies, SDCL 1-25-1.1.

74:05:11:18. Loans to disadvantaged communities. The board may provide additional subsidies to disadvantaged communities in the form of interest rates below that set for other loan recipients. A loan for a project to a disadvantaged community or an eligible project sponsor acting on behalf of the disadvantaged community may be awarded ~~is eligible to receive a loan at~~ an interest rate up to two percentage points below that set for other recipients loans. A loan for a community with a median household income less than 60 percent of the state-wide median household income is eligible for a loan may be awarded at zero percent interest. ~~The amount of additional subsidies available to disadvantaged communities is set annually in the intended use plan. The value of subsidies provided during a federal fiscal year may not exceed 30 percent of the annual capitalization grant for that year.~~

Source:

General Authority: SDCL 46A-1-60.1 to 46A-1-60.3.

Law Implemented: SDCL 46A-1-60.1 to 46A-1-60.3

This concluded Mr. Perkovich's explanation of the proposed amendments to the rules.

Chairman Lowrie then called for public input on the proposed amendments. No comments were received at the hearing, nor where any written comments received prior to the meeting. Chairman Lowrie then requested board action.

Motion by Larsen, seconded by Greenfield, to approve rules as presented. Motion carried.

PROTECTING OUR WATER: LIVESTOCK CONFINEMENT REGULATIONS IN SOUTH DAKOTA: The board viewed the video "Protecting Our Water: Livestock Confinement Regulations in South Dakota."

CLEAR LAKE DRINKING WATER SRF LOAN APPLICATION: Gayleen Lowe reported that Clear Lake is applying for a Drinking Water SRF loan to finance the construction of a new 300,000-gallon elevated water storage tank. Clear Lake was awarded a \$100,000 Consolidated grant in March 1998 for this project.

The proposed project will also include telemetry, controls, and construction of seven and one half blocks of water main to connect the new tower to the existing distribution system. The existing 50,000-gallon tank is sixty-four years old and does not provide adequate storage for the community.

Dave Ruhnke reported that the city is requesting approval of a \$565,000 loan at three percent interest for 30 years. Clear Lake qualifies as a disadvantaged community under the Drinking Water SRF rules with a median household income below 80 percent of the statewide median household income and a water rate exceeding \$20 for 5,000 gallons. The city's water revenue has been pledged toward repayment on the loan. Net revenue available for debt service will exceed the 110 percent requirement.

Staff recommendation is for approval of a disadvantaged community Drinking Water SRF loan in the amount of \$565,000 at three percent interest for 30 years to the city of Clear Lake contingent upon the resolution authorizing the sale of bond becoming effective.

Motion by Greenfield, seconded by Loucks, to approve Resolution #98-94 approving a loan to the city of Clear Lake in the amount of \$565,000 at three percent interest for 30 years contingent upon the resolution authorizing the sale of the bond becoming effective. Motion carried.

HERMOSA DRINKING WATER SRF LOAN APPLICATION: Keith Gestring reported that the city of Hermosa is applying for a Drinking Water SRF loan for a water distribution system replacement and upgrade project. The project involves the replacement of the town's existing water mains with larger diameter pipe. The existing system is experiencing numerous breaks and water pressure problems. The new system should improve the water pressure, loop dead-end lines, and reduce O&M costs.

Heather Forney reported that the town of Hermosa is requesting approval of a Drinking Water SRF loan for \$300,000 at five percent interest for a 20-year term. The city's water revenue has been pledged toward repayment on the loan. Net revenue available or debt service will exceed the 110 percent requirement.

Staff recommendation is for approval of the loan to the town of Hermosa in the amount of \$300,000 at five percent interest for a 20-year term contingent upon the environmental review process being completed, receiving the Form 4700-4 back from EPA, and upon the resolution authorizing the sale of bond becoming effective.

Motion by Loucks, seconded by Greenfield, to approve Resolution #98-95 approving the Drinking Water SRF loan to the town of Hermosa in the amount of \$300,000 at five percent